



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 830

Chairperson: Joel Johnson
Committee: Health and Human Services
Date of Hearing: January 30, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 830, the Prescription Drug Cost Savings Act seeks to lower the cost that Nebraska pays for prescription drugs for the Medicaid program through two related provisions. First, it creates a preferred drug list for the Medicaid program. A preferred drug list is a list of all available prescription drugs which designates certain of those drugs with 'preferred' status. Preferred status is granted first to those drugs which are therapeutically superior without regard to cost. Among groups of drugs which are found to be therapeutically equivalent, the lowest cost drug is to be designated as preferred. Antipsychotic and antidepressant drugs are excluded. Implementation of the preferred drug list then empowers chief executive officer of HHS to negotiate for further supplemental rebates from pharmaceutical manufacturers.

The second provision in the bill, named the Healthy Nebraska Rx Card Program, creates a program which extends the savings gained under the preferred drug list to uninsured Nebraskans who earn under 300 percent of the Federal poverty line. It creates a card which allows the carrier to purchase prescription drugs at participating retail pharmacies at the price paid by the state Medicaid program. This bill makes provision that the administrative costs of the Healthy Nebraska Rx Card Program be added to the cost of drugs purchased under the program.

Both programs are to be administrated by the chief administrative officer of the Nebraska Health and Human Services system. The Prescription Drugs Savings Act would become effective July 1, 2009. The Healthy Nebraska Rx Card Program would be implemented by July 1, 2010.

Principal Introducer: _____
Senator Steve Lathrop